

Agency Summary
Medicaid Reserve (MR0)
FY 2004 Recommended Baseline Budget

Fund Type	(A) Proposed 2003 Original Budget	(B) Approved 2003 Budget	(C) Agency 2004 Request	(D) OBP Baseline Scrub	(E) Agency Appeals	(F) OBP Centralized Adjustments	(G) OBP Recommended Baseline	(H) Spending Pressure	(I)=(G)+(H)
Non Personal Services	49,867,430	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	51,743,901
Local Fund	49,867,430	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	51,743,901
Total for NPS	49,867,430	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	51,743,901
Gross Total	49,867,430	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	51,743,901
FULL TIME EQUIVALENTS									
Local Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Agency Summary
Medicaid Reserve (MR0)

Revised Budget Recommendation

- SUMMARY

OBP recommends a funding level of \$51,743,901 for the Medicaid Reserve Funds in FY 2004. The following is the FY 2004 proposed allocation of funding among these agencies:

- \$9,143,901 may be allocated to the District-wide Medicaid program.
- \$27,000,000 may be allocated for Medicaid reimbursable services furnished by the Special Education program within the District of Columbia Public Schools.
- \$15,600,000 may be allocated to the Child and Family Services Agency.

OBP SCRUB:

The budget was decreased by \$6,100,000 to reflect the transfer of funds to the Child and Family Services Agency to cover the anticipated reduction in TANF Funding for the "Collaboratives" program.

The budget was decreased by \$21,728,099 to reflect the transfer of funds to the Department of Mental Health to conform with the OCFO Medicaid revenue certification process.

OBP CENTRALIZED ADJUSTMENTS:

There were no centralized adjustments made to this agency.

APPEAL: The agency submitted an appeal to address funding for CFSA and DMH. OBP approved the appeal for DMH and most of the request for CFSA.

Preliminary Budget Recommendation

For FY 2004, OBP recommends a baseline funding of \$70,867,430 for the Medicaid Reserve Fund, a decrease of \$16,500,000 from the FY 2003 proposed budget. The Medicaid Reserve is a financial entity that was established in FY 2003 to accommodate potential revenue shortfalls within agencies providing Medicaid reimbursable services. The following is the FY 2004 proposed allocation of funding among these agencies:

- \$15,795,430 may be allocated to the District-wide Medicaid program, an increase of \$5,795,430 over FY 2003.
- A total of \$10,000,000 may be allocated for the Department of Mental Health, a decrease of \$15,884,446 from FY 2003. Funding is based upon an alignment of agency revenue projections with the Office of Research and Analysis's (ORA's) certified revenues for Medicaid and Medicare.
- \$27,000,000 may be allocated for Medicaid reimbursable services furnished by the Special Education program within the District of Columbia Public Schools, no change from FY 2003.
- A total of \$18,072,000 may be allocated to the Child and Family Services Agency, an increase of \$1,389,039 over the FY 2003 proposed budget. Specifically, \$2,500,000 may be allocated to cover the reduction in personal services made in FY 2003 due to the reallocation of these positions to the Interim Disability Department at DHS. Additionally, \$8,500,000 may be allocated to compensate for the reduction in TANF funding for the Family Rehabilitation program, and \$7,072,000 may be allocated to support the Agency's Title IV-E Medicaid reimbursable services.
- \$0 will be allocated to Department of Human Services in FY 2004 as a result of transferring \$7,795,430 to the agency's local funds budget for non-Medicaid reimbursable costs.

Baseline and Adjustments Agency by Fund and Object Class

MR0 MEDICAID RESERVE

Fund 0100 Local Fund

Comptroller Source Group (Object Class 2)	(A) FY 2003 Approved	(B) Agency 2004 Request	(C) OBP Baseline Scrub	(D) Agency Appeals	(E) OBP Centralized Adjustments	(F) B+C+D+E OBP Recommended Baseline	(G) Spending Pressures	(H) Target Adjustment	(I) Mayors Adjustment	(J) F+G+H+I Mayors Proposed Budget	(K) J-A Change from FY 03
0050 Subsidies And Transfers	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	0	0	51,743,901	-35,623,529
Total: Non Personal Services	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	0	0	51,743,901	-35,623,529
Fund Total 0100 Local Fund	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	0	0	51,743,901	-35,623,529
Total for MR0 Medicaid Reserve	87,367,430	87,367,430	-35,623,529	0	0	51,743,901	0	0	0	51,743,901	-35,623,529

Agency Name:	(MRO) Medicaid Reserve Fund		
Appropriation Title:	Human Support Services		
Amount of Appeal:	\$11,000,000¹		
OBP Analyst:	Patrick Richard	Date:	01/27/03
Branch Chief:	Sam Ruma		
Was Criteria Met:	<u> </u> Yes	<u> X </u> No	
Decision:	<u> </u> Approved	<u> X </u> Appeal Denied	
Amount Approved:	<u> </u> \$0		

Basis for Appeal Decision:

The Medicaid Reserve Fund appealed to OBP to transfer \$11,000,000 from this fund to the Child and Family Services agency to cover reductions in personal services costs and anticipated reductions in TANF. After a thorough analysis, OBP has denied this request based on the following:

- OBP is currently developing alternatives to allocate the Medicaid Reserve Fund.

OBP recommends the following:

- Maintain the current baseline for the Medicaid Reserve Fund.

¹ This amount does not include the \$1,072,000 to cover the anticipated reduction in funding by federal courts for social worker salaries.

Agency Name:	(MR0) Medicaid Reserve Fund
Appropriation Title:	Human Support Services
Amount of Appeal:	\$10,000,000

OBP Analyst:	Patrick Richard	Date:	01/27/03
Branch Chief:	Sam Ruma		

Was Criteria Met: Yes X No

Decision: Approved X Appeal Denied

Amount Approved: \$0

Basis for Appeal Decision:

The Medicaid Reserve Fund appealed to OBP to transfer \$10,000,000 from the Reserve Fund to the Departmental of Mental Health to cover potential shortfall in Federal Medicaid Revenues. After a thorough analysis, OBP has denied this request based on the following:

- This appeal does not meet any of the criteria stipulated in the "Instructions for FY 2004 Budget Appeals".
- The agency does not explain why the funds are necessary in relation to the outcomes of the OCFO's Medicaid/Medicare certification.

OBP recommends the following:

- Maintain the \$10,000,000 allocation for DMH in the Medicaid Reserve Fund.
- Pursue a more active leveraging of federal resources by instituting appropriate reforms and establishing mechanisms to increase the agency's collection of Federal Medicaid revenues.